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REVIEW OF INDIVIDUAL CONSULTANCIES

IN THE UNITED NATIONS SYSTEM

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Geneva 2012

Executive Summary

Review of individual consultancies in the United Nations system

JIU/REP/2012/5

Objective and scope

The objective of this report is to provide an assessment of the use of individual consultants in the United Nations system by analysing relevant policies and practices. While the focus is on individual consultancies, the analysis of information received and the interviews highlighted that there is not always such a clear distinction between individual consultants and some other non-staff personnel. The present review therefore also includes broader considerations of similar issues regarding non-staff contractual modalities.

Need for overarching criteria to choose between staff and non-staff contract modalities

Consultants and other non-staff personnel are becoming an important part of the workforce of the United Nations system organizations. However, policies and regulations do not always provide clear criteria for the use of these human resources, and the implementation of the policies is a matter of concern from the perspective of fair and socially responsible employment practices, particularly when individuals are working for extended periods of time under short-term non-staff contracts. The pressure to deliver under inadequate funding and inflexible staffing models, coupled with permissive non-staff policies and the lack of oversight, lead organizations to use non-staff contractual modalities excessively.

Introducing different statuses for similar types of work in the system, which are no longer subject to a common set of rules and regulations, may have negative consequences in terms of employment practices, the reputation of organizations, and the coherence of the workforce. Current practices create precarious statuses that are not fully aligned with the United Nations values nor with international labour principles. There is a need for the organizations to monitor and assess the use of non-staff personnel regularly, and to introduce mitigating measures against risks.

The review found that the policies of the organizations do not provide clear criteria for choosing between staff and non-staff contractual modalities. ILO labour recommendations and good practices indicate that overarching criteria to this effect would be the existence or absence of an "employment relationship". When there is an employment (employer-employee) relationship for the execution of work, the contractual modality should be a staff contract; if it is an independent contractor relationship, the contractual modality should be a consultancy or other non-staff contract.

Need for clear consultancy policies

Some United Nations organizations have specific consultancy policies. However, the policies of many organizations lack a clear definition of individual consultancy or do not use a specific contractual modality or adequate practical guidelines for using consultants. In practice, consultancies and other similar non-staff contracts are used interchangeably. Most importantly, these contracts are used for work which should entail staff contracts.

The existing policies allow organizations to grant successive consultancy contracts which add up to long-term assignments, with or without short mandatory breaks. This practice is no longer in line with the nature of a consultancy contract and creates conditions for inappropriate use of contractual modalities. The remuneration levels applied both within each organization and across the system are not consistent and there are no guidelines for proper implementation. Likewise, social benefits provided through these contracts vary significantly across the organizations.

Need for sound management of individual consultants

The review found that overall there is room for increased efficiency and effectiveness in the use of consultancies by defining clear roles and responsibilities, and implementing better internal control measures. A corporate vision for the use of consultants and ownership at the corporate level with regard to monitoring and enforcing policies would contribute greatly to the proper use of related funds. Competition in the recruitment process is either lacking or not effective. It would be useful to adopt a rational approach to recruitment by introducing progressive competition elements proportional to the value and duration of contracts. Organizations do not have a roster policy; rosters are fragmented and outdated.

Need for more effective monitoring and oversight

There is currently insufficient oversight with regard to the use of consultants within the United Nations system organizations. Organizations do not have a clear picture of the workforce of their organization and lack the necessary analytical information to plan the workforce, assess related risks, and introduce proper measures to address these risks. Monitoring is lacking to the extent that information systems do not have adequate capabilities and available information is not utilized effectively. As a result, action-oriented analytical reporting and effective consideration of these reports are inadequate at both the senior management and the legislative/governing bodies' levels.

In view of the strategic implications of the increasing use of individual consultants and other non-staff personnel, it is imperative that the legislative/governing bodies of the organizations exercise their oversight role and, at the same time, provide the necessary funding for proper staffing. In that spirit, Member States should ensure that this issue is included in the agenda of their meetings and that it is dealt with either directly or in the context of the debate on human resources management. To this effect, executive heads of the organizations should provide Member States with detailed analytical reports.

Need for a system-wide approach

Policies and practices regarding the use of consultants and other non-staff personnel in the United Nations system organizations are quite diverse. The current situation makes it necessary to focus more attention system-wide, with a view to harmonizing policies and practices, taking into account international labour principles and good practices. As explained in the report, all the organizations face similar challenges and problems with regard to the use of consultants and other similar non-staff personnel. The report includes 13 recommendations; recommendations 1, 2, 3, 4, 5, 6 and 10 in particular, should be the subject of a system-wide discussion and a common approach should be adopted in order to facilitate their coherent and consistent implementation across the system. To this effect, **a dedicated working group or task force should be set up under the High-level Committee on Management with the mandate to develop a common approach to guide the implementation of the recommendations in the organizations.**

Recommendation for consideration by the legislative/governing bodies

Recommendation 12

The legislative/governing bodies of the United Nations system organizations should exercise their oversight function on the use of consultants through regular reviews of analytical information provided by the executive heads of the respective organizations.

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Abbreviations

AFW	Agreement for the performance of work
CEB	United Nations System Chief Executives Board for Coordination
ERP	Enterprise resource planning
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
HLCM	High-level Committee on Management
HR	Human resources
IAEA	International Atomic Energy Agency
ICA	Individual contractor agreement
ICAO	International Civil Aviation Organization
ICSC	International Civil Service Commission
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
IMO	International Maritime Organization
IT	Information technology
ITU	International Telecommunication Union
JIU	Joint Inspection Unit of the United Nations system
NSHR	Non-staff human resource
OCHA	Office for the Coordination of Humanitarian Affairs
OECD	Organization for Economic Cooperation and Development
OHCHR	Office of the United Nations High Commissioner for Human Rights
PAHO	Pan American Health Organization
PSA	Personal service agreements
SC	Service contract
SSA	Special service agreement
TOR	Terms of reference
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme

[illegible]

[illegible] organizations with a significant [illegible] staff personnel [illegible] comprehensive review of the issue and [illegible] of HR policies to address the shortcomings that workforce and related [illegible]. The following risks relating to the use of non-staff workforce should be considered [illegible]:

[illegible]

- [illegible] of [illegible] of [illegible] [illegible] that may be [illegible] of United Nations values and international labour principles;
- [illegible] the organization of staff duties if a de facto employment relationship could be [illegible] corresponding contractual liabilities and benefits;
- [illegible] control of non-staff activities and actions if they are increasingly [illegible];
- [illegible] of institutional knowledge due to [illegible] temporary workforce;
- [illegible] of organizational values, [illegible] and low morale [illegible] the confidence to [illegible] United Nations and providing different [illegible] on similar work;
- [illegible] of [illegible] [illegible] of the workforce through discretionary [illegible] of temporary workforce;
- [illegible] the accountability framework through discretionary [illegible] and use of [illegible] non-staff personnel;
- [illegible] programme [illegible] or a lack of knowledge due to temporary and other contractual modalities.

34. Close monitoring, evaluation and analysis could enable the organizations to identify problems and create and introduce remedial actions, including the creation of staff posts and the use of short-term staff contracts. To that end, organizations should regularly collect comprehensive statistical [illegible] relating to the use of non-staff contracts and more systematically assess and report on such contracts.

35. The executive heads should ensure that there is a clear rationale for the use of non-staff contractual modalities in their organizations, they should examine the nature of the work performed by non-staff personnel and the specific functions and responsibilities entrusted to them both at headquarters and in the field offices.

36. The issue of precarious contracts in the organizations is not new. The organizations took a radical policy change on the issue, based on a holistic approach other than temporary solutions. Over the years, some organizations attempted to eradicate the misuse of non-staff contracts for staff-appropriate work through various measures, such as converting proper staff contracts to long- serving consultants and non-staff on the implementation. However, after sometime, misuse of non-staff contracts reoccurred. The shows that as long as the underlying causes are not addressed radically at its policy level, it is impossible to root out the improper use of non-staff contracts.

Immunity from legal actions

32. All companies and employers are subject to national employment laws. However, the United Nations system organizations are not subject to those laws and enjoy immunity from legal action against them. Nonetheless, immunity from legal action should not be considered as permission to establish employment practices that are not in line with socially responsible employment principles and United Nations values in general. Furthermore, there is no guarantee as to how local courts interpret immunity nor how they would rule in the case of legal action. Therefore, organizations should pay close attention to establishing and implementing proper policies regarding the use of consultants and other non-staff personnel.

D. Need for more flexibility in the use of staff contracts and resources

33. In order to prevent inappropriate use of non-staff contractual modalities, organizations need to address the root causes of the problem with measures implemented on multiple fronts, such as effective oversight and accountability, improving and clarifying policies, requesting governing bodies to provide adequate funding, and increasing flexibility in the use of staff resources.

34. For instance, organizations could consider establishing a pool of staff posts that are not under any specific department, unit, or office for the purpose of mobilizing these resources temporarily to different departments or units as needed. This "reserve pool" would help to eliminate the bureaucratic process of approving posts and would reduce the improper use of consultancy and other non-staff contracts. The size of this pool can be adapted to the size of the organization and there should be a clear mechanism for prioritizing and deciding on deployment locations and duration, so as to avoid internal competition for these resources. This option would not disrupt the basic structure of the organization, but rather complement it and enable it to address temporary staff needs. The executive heads of the organizations should report to the governing bodies on the utilization of this pool of resources. Some managers reported that they had established rosters of pre-screened candidates around key staff positions. These rosters are used to speed up the filling of anticipated and ad-hoc vacancies.

35. Overall, the heads of the organizations need to have more flexibility to create or cancel staff posts and mobilize staff and staff posts between divisions or programmes, and use relevant budget resources more flexibly. It should also be possible to use fixed and short-term staff contracts flexibly by tying them to the programme or project's life cycle rather than creating de facto permanent contracts. Recruitment of national professional officers can be used more effectively in the field. Another issue is the inflexibility in the use of budget lines with strict transfer limitations which can cause improper contract modalities. **Organizations must have the necessary resources and flexibility to apply result-based management rather than resource-based management**.

E. Need for an overarching criteria to choose between staff and non-staff contractual modalities

36. According to the ILO recommendation No. 198 (2006), the main criterion to use when deciding between staff and non-staff contracts should be the "employment relationship". If the work requires an employment relationship, then it should be a

staff contract; if the work to be performed entails an independent contractor relationship rather than an employment relationship, it should be a non-staff contract. The recommendation gives precedence to the practice over the contract itself: "[...] the determination of the existence of [an employment] relationship should be guided primarily by the facts relating to the performance of work and the remuneration of the worker, notwithstanding how the relationship is characterized in any contrary arrangement, contractual or otherwise, that may be agreed between the parties" (Recommendation No. 198, para. 9).

37. The interviews revealed that non-staff personnel, particularly consultants, often work on the premises of the organizations, follow regular working hours and receive a monthly remuneration, just like other staff members. Their services are used in a wide range of areas, including information systems, human resources, finance, training or programmes and project management. Employing consultants and other non-staff personnel for extended periods, like staff under an employment relationship, create precarious statuses and the situation is not sustainable for either the employees or the organizations which are facing a dramatic change in their workforce composition. Introducing different statuses of personnel for similar work within the organizational workforce, which is no longer subject to a common set of rules and regulations, is not a fair or socially responsible employment practice. It creates discrimination in the workplace by not providing equal benefits for equal work.

38. The review found that many consultants and other non-staff personnel often work under an employment relationship with repeated or extended short-term non-staff contracts. The organizations provide them with office space, telephones, email accounts, monthly remuneration, and ground passes. Some consultants have been working for more than two years under various types of successive contracts of limited duration, and without social benefits. All these elements indicate the presence of an "employment relationship" rather than an "independent contractor relationship" which implies that these people are staff by a de facto employment relationship. This debate is essential and the United Nations system organizations must ensure that their employment practices are in line with all the values that they are promoting.

39. International labour principles and standards set out basic principles and rights relating to work. They have been adopted by the International Labour Conference and made available to the Member States, either for voluntary ratification, in the case of conventions, which creates binding and reporting obligations; or as guidelines/soft laws, in the case of recommendations. In the United Nations system, no policy exists with respect to the application of international labour principles. Since international labour principles are not legally binding in the United Nations system organizations, the fundamental labour principles they promote do not have to be applied by the organizations. This situation leaves the United Nations system organizations without yardsticks for their policy development and aggravates the proliferation and misuse of non-staff contractual modalities. There is an urgent need for United Nations system organizations to review their staff and non-staff policies with a view to aligning them with basic international labour principles. These policies should take into account the existence or absence of an employment (employee-employer) relationship and provide indicators to help to identify the nature of a work relationship.

Triangular employment relationship

40. Some United Nations system organizations hire non-staff personnel through private employment agencies or the United Nations Office for Project Services (UNOPS). This modality speeds up recruitment and may also reduce transaction costs. On the other hand, officials in some organizations noted that sometimes the private agencies do not provide adequate remuneration and/or benefits, resulting in dissatisfaction on the part of consultants, and results in high turnover.

41. From a legal point of view, this type of contract presents difficulties as the consultants find themselves interacting with two interlocutors: the agency and the organization. It is important to clarify in the contract who is the employer responsible for the contract-related entitlements, such as remuneration, compensation in case of accident at work, leave and medical insurance. Since this model is in the development stage, organizations need to clarify all related aspects, including their respective roles and responsibilities. The following recommendation is expected to enhance control and compliance in the United Nations system organizations.

Recommendation 1

The executive heads of the United Nations system organizations, taking into account international labour principles, should review their policies regarding the use of non-staff personnel with a view to clarifying the criteria for choosing between staff and non-staff contractual modalities, and should monitor and assess the use of non-staff personnel in their organizations to detect and address risks in a timely manner.

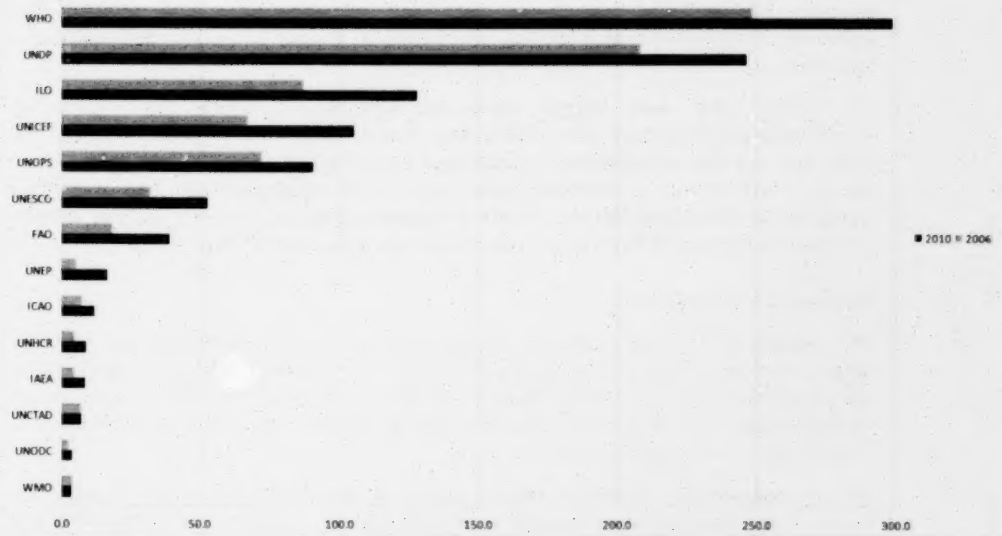
III. Consultancy policies and practices

A. Overview of consultancy policies

Increased use of consultancies

42. Since many organizations did not provide a full set of specific statistical data and figures, it was difficult to consolidate comprehensive statistics on the use of consultancy contracts across the United Nations system. However, based on the figures collected during this review (figure 1), it is fair to say that the use of individual consultancies across the United Nations system has been on the rise since 2006. Some organizations have not been included due to the lack of comparable data for the years considered (2006 and 2010).

Figure 1
Expenditure on individual consultancies in 2006 and 2010, in USD million



Source: Responses to the JIU questionnaire. Figures provided for biennium estimated on a yearly basis.

43. Consultants are used in normative, operational and technical areas of work including project implementation, information management, training, human resources management, finance and programme evaluation. The review found an increasing use of junior-level consultants recruited following internships in the organizations. This situation can be considered as indicative of consultants hired to work as de facto junior-level staff, as consultancy contracts require special expertise and work experience which would exceed that of an intern.

Mapping of policy documents

44. Many United Nations system organizations have policy documents on the use of consultants and/or other non-staff personnel. However, the quality and clarity of these documents vary significantly across the system. Some policies are vague and do not focus on individual consultancies, but on non-staff personnel in general, and therefore do not take into consideration the difference between a consultancy contract and other non-staff contracts. The policies applicable to individual consultancies across the system are often too permissive and not always aligned with a common understanding of consultancy, particularly regarding the authorized length of the contracts. Annex I to this report provides an overview of the policy documents of the United Nations system organizations relating to individual consultancies.

45. In many organizations, the policies on consultancies are contained in various documents, such as staff rules and regulations, human resources manuals, administrative directives and circulars. **In order to avoid fragmentation, all the elements of a regulatory framework on consultancies should be consolidated into one document, such as a policy paper or manual, and made accessible through a single link on the intranet.** A good example is the new comprehensive policy of

UNHCR on individual consultants, which includes administrative and other guidelines. UNESCO's manual also comprises extensive guidelines and templates.

46. ICAO, PAHO, UNDP, UNESCO, UNICEF and WHO have developed policies containing provisions on the principles of contracting, identification and selection process, performance evaluation, roles and responsibilities and remuneration schemes. Their policies also include provisions on the use of retirees and applicable travel rules.

47. **ITU, UPU and WIPO have no formal regulatory framework on consultancies, therefore they incur the risk of using discretionary practices. IMO has a policy applicable to technical cooperation programmes only, which do not fully cover individual consultancies at headquarters. The executive heads of these organizations should introduce policies covering all the aspects relating to the use of individual consultancies, as a matter of priority.**

Definition of consultancy

48. Annex II contains a compilation of the definitions of "individual consultancy" as provided by the participating organizations. The majority have been inspired by the wording used in United Nations policy documents on the matter. Some definitions do not establish a clear distinction between individual consultants and other types of non-staff personnel.

49. **A consultancy contract should cover ad hoc advisory work or product-based work that requires special expertise, last for a short specific period and provide added value to the organization's current capacity.** While many organizations use this or a similar definition for consultancy contracts, hence try to distinguish it from staff and other non-staff contracts, other organizations do not have a definition and/or allow the use of consultancy contracts for regular staff tasks.

50. Many of the concerns raised in this report could be alleviated if consultants were used strictly for consultancy tasks, such as ad hoc advisory or output-oriented short-term work. Policies should include not only a definition of consultancy, but also guidelines or criteria on when and how to resort to consultancy; they should also define the tasks that consultants should not perform. There is a need to refocus on the notion of consultancy so as to develop a specific contractual modality and implementation guidelines. The United Nations Secretariat administrative instruction sets out the conditions for using consultants.

51. Most of the policy documents stipulate explicitly that consultants do not have the status of staff members therefore they are not subject to the staff regulations and rules of the respective organization and are not considered officials for the purpose of the Conventions on the Privileges and Immunities of the United Nations and Specialized Agencies, except when they are on mission. However, contrary to other United Nations system organizations, FAO and WFP policies consider individual consultants as officials and assign them, inter alia, managerial and representative functions. Their policies allow managers to authorize consultants to represent the organization, assume management responsibilities and coordinate corporate activities. In the Inspector's view, this goes beyond the nature of a consultancy and the organizations should amend their policies to prohibit the use of consultants for managerial activities, including representation and coordination.

Functions not entrusted to consultants

52. Echoing the General Assembly resolutions,[5] the consultancy policies in many organizations stress that consultants should not assume functions normally performed by staff members nor be given assignments for which there is continuing need. Internal and external audit reports often raise this issue and underline cases where consultants appear to be carrying out staff functions in an ongoing manner, rather than undertaking short-term tasks with defined outputs and target dates for completion.[6]

53. During the interviews, some managers stated that they tried to be mindful not to use non-staff personnel in core functions. They underlined, however, the absence of a clear definition of core functions or regular staff functions. For instance, some argued that the consultant's expertise may be core in the context of a specific project and its operations, but may not be a core function of the organization itself. They also argued that core functions in today's world could be outsourced.

54. In the United Nations system, several definitions of staff, non-staff and core functions are used. For instance, UNICEF Human Resources Manual specifies that "regular staff functions" are duties which can be found in the job descriptions of regular UNICEF staff, such as programme management, accounting, clerical, and ancillary services. Temporary staff typically supports regular staff during periods of heavy workload, covers absences while regular staff are on extended leave or mission, temporarily fills in on vacant posts or assists on special projects. "Non-staff functions" entail skills or expertise which are not readily available in the organization, for example, conducting specialized studies, research and technical work.[7]

55. UNOPS defines core functions as "those of a continuing nature and required regardless of business volume fluctuations. Functions that are discharged to implement a project or a portfolio of related projects and funded by the project(s) are normally not considered to be core functions."[8] **A good practice identified during the review consists of listing in the policy document or subsequent administrative instructions, concrete examples of correct and incorrect uses of contractual modalities applicable to recruitment of individual consultants** (UNDP and UNOPS).

56. Some policies allow consultants to carry out functions and tasks that should normally be performed by staff members, as long as the hiring department can justify that it is unable to perform these functions and tasks within available staff resources (i.e. ILO External Collaborators, WMO individual contractors under SSAs). At IAEA, consultants may be used to fill expertise gaps in the existing staff force, but not on vacant posts. However, some organizations (UNIDO and WFP) formally authorize the placement of consultants in vacant staff positions during an ongoing recruitment process when the services of individual consultants are used as a bridge, pending completion of the official selection and recruitment process or to fill other employment gaps, such as maternity leave. At WFP, consultants may occasionally be employed on a temporary basis to perform staff functions when staff resources are not immediately available.

[5] General Assembly resolutions 61/244, 63/250 and 65/247.

[6] ICAO, Audit of the Aviation Security Plan of Action (01/2008) and Audit of Staff Contracts (02/2009), ITC HR Committee, Contractual Arrangements, HR-WP/14 (05/2009).

[7] UNICEF HR Manual, chap. 6, sect. 2, Consultants and Individual Contractors, CF/MN/P.I/6.2.

[8] UNOPS Organizational Directive No. 21 (rev. 3), 16 January 2012.

57. It would be helpful for each organization to define core functions in line with their business model and operational requirements. This would allow them to have control over their key functions with proper staff contract modalities and to exercise adequate risk management. However, **the definition of core functions does not provide sufficient criteria or a yardstick for choosing the contract modalities. As explained in chapter II of his report, the best criterion to use to choose between staff and non-staff (including consultancy) contracts is whether or not an "employment relationship" exists.** Therefore, even if it is not a core function, but there is an employment relationship, the contractual modality should be a staff contract.

58. **The repeated or extended use of non-staff contracts under a de facto employment relationship is not in line with international labour principles or best employment practices.** If there is an employment relationship, organizations should decide whether to use short- or fixed-term staff contracts according to the amount of the work and the time frame for completion of said work, rather than using non-staff contracts. If a function is outsourced, it should be remembered that outsourcing companies are responsible, in accordance with national labour regulations, to provide proper labour contracts and that their employees have a right to take legal action if their labour rights are not respected.

59. ILO policy specifies that consultants should, in principle, not work on the organization's premises because of the nature of consultancy work. The review found that most consultants work on the premises of the contracting organization, and comply with the working hours applicable to regular staff. They are provided with offices, telephones, email addresses and ground passes. Considering the extensive use of consultancy contracts, combined with other elements mentioned, it is fair to say that this contractual modality is tantamount to a fixed-term staff contract, without the social security and other benefits.

Diversity of contractual modalities for consultancies

60. The types of contracts for consultancies vary significantly across the organizations. The United Nations Secretariat policy distinguishes "consultants" from "individual contractors"; FAO differentiates consultancy contracts from "personal service agreements", and WHO makes a distinction between consultancy contracts and "agreements for the performance of work". Many organizations use a variety of contractual modalities for consultancies that are also used for other types of temporary assistance (IICA, SSAs, external collaboration contracts, etc.). These different contracts create a lot of confusion. Annex III to this report shows the different types of contracts used for individual consultancies at the organizations.

61. **A clear definition and guidelines for the use of consultancies are important and should be the basis for choosing the appropriate contractual modality. Streamlining and defining clearly all non-staff contracts in one policy document would facilitate correct and easy use of such contracts. Vague definitions not only create conditions for consultancy and other non-staff contracts to be used interchangeably, but also lead to the misuse of these contracts for the performance of regular staff tasks.**

62. Consultancy is one of the most common types of work for which non-staff contracts are used. Due to the expenditure involved, these contracts pose inherent risks for the organizations and therefore require close oversight by the management.

[illegible]

[illegible]

[illegible]

Recommendation 5

[illegible]

B. General conditions of contract

Variations in general conditions of contract

68. [illegible]

69. [illegible]

- [illegible]
- [illegible]
- [illegible]
- [illegible]
- [illegible]

87. Some organizations (IAEA, UNIDO and UNRWA, for example) provide a better social benefits package to their long-term consultants, particularly for contracts with a term of six months or more. This may be rational when it concerns individuals employed for a significant period of time in a de facto employment relationship in various positions and with various statuses under successive non-staff contracts. However, although such a relatively generous practice may be considered as fair for long-term contract holders, it still raises the question as to why staff contracts with the full complement of social benefits are not offered.

88. Most organizations do not provide paid leave to consultants, even when they are employed for long periods. This practice is not fully aligned with international standards. ILO Convention No. 132 (1970) concerning Annual Holidays with Pay states that "a minimum period of service may be required for entitlement to any annual holiday with pay. The length of any such qualifying period shall be determined by the competent authority or through the appropriate machinery in the country concerned but shall not exceed six months" (art. 5).

89. So long as the organizations use successive short-term contracts to ensure their long-term needs, the lack of social benefits will be a problem. The ideal solution would be to discontinue the practice of using consultancy contracts for staff work and to introduce staff contractual modalities. Managers often raise concerns about the increase in costs in such a case. The Inspector would like to point out that the United Nations system organizations are value-driven and must set a good example by applying the best employment practices. When organizations face an immediate significant increase in costs, they may choose to use a phased approach to deal with this issue.

The following recommendation is expected to enhance control and compliance.

Recommendation 8

The executive heads of the United Nations system organizations, taking into account relevant international labour principles and good practices, should review the consultancy contracts in their respective organizations with a view to introducing contracts with a shorter duration in line with the ad hoc and temporary nature of the consultancy work, and developing a proper social benefits policy which considers the duration and the nature of the work performed.

E. Employment of retired staff as consultants

90. The use of retirees as consultants is a common practice in the United Nations system. Staff representatives reported that retirees are usually recruited at the managerial level, which negatively affects the career development of staff members. While it is understood that in emergency situations the use of retirees could be very helpful and even justified, in other situations it signifies a lack of timely succession planning.

91. The policies of many organizations contain restrictions on the use of retirees. However, these restrictions vary among the organizations and there are doubts as to their proper implementation in practice. IAEA, IMO, UPU, and WIPO do not have a specific policy for hiring retirees, which creates conditions for discretionary practices.

The policies of the United Nations Secretariat and its funds and programmes limit the use of retirees to a salary of US$ 22,000 or a six-month contract within a year. However, for retired language staff, the salary limit is higher. WHO salary ceiling for retirees is US$ 30,000, while PAHO and WMO do not have a salary ceiling. Setting limits on salary and contract duration constitutes good practice; however, existing monetary ceilings may not be realistic in some cases. As a good practice, some organizations require the approval of the HR department and/or the head of organization for such contracts, in order to better control the employment of retirees.

92. Another restriction on employing retirees is the requirement of a minimum break after the retirement date. The most commonly applied break is three months following the date of retirement. UNIDO imposes a one-year break, while UNICEF imposes only a one-month break. Some organizations do not have a mandatory break period in this respect. The United Nations system organizations should consider applying a minimum three-month break following the date of retirement before recruiting retirees.

93. Employment restrictions regarding retired staff concern not only retirees of the same organization but also those of other organizations. However, there is no control at the time of recruitment over whether a consultant is a retiree of any other organization. The relevant information is kept within each organization and there is no common database or searchable central gateway that could provide such information across the organizations. Increased information sharing on the matter is necessary and should be made possible, in particular with the assistance of the United Nations Joint Staff Pension Fund.

94. The review found a number of different approaches across the United Nations system regarding the use of retirees as consultants. There is a need for harmonization and realignment of policies among the organizations, to the extent possible. Furthermore, organizations should improve their succession planning and set the tone at the top to prevent overuse of retirees.

The following recommendation is expected to enhance control and compliance with policies.

Recommendation 5

The executive heads of the United Nations organizations should ensure that there is an adequate policy on the use of retirees as consultants in their respective organizations and that compliance with this policy is effectively enforced.

F. Dispute settlement and representation

95. The increase of non-staff personnel in the organizations' workforce who are not subject to staff rules and regulations inevitably raises the issue of representation of this personnel category and the availability of an accessible and effective dispute settlement mechanism, particularly when non-staff personnel work like de facto staff members. Indeed, in most of the United Nations system organizations, non-staff personnel do not have access to the internal justice system and is not represented by staff unions or any other association.

Dispute settlement

96. The General Assembly recognized this issue and put forward the question as to whether or not it would be appropriate to grant consultants and individual contractors access to existing internal justice mechanisms or to set up a separate justice system for that purpose.[12] The Secretary-General submitted a proposal for recourse mechanisms for non-staff personnel to Member States, taking into account the legal and financial aspects of granting access to existing dispute and appeals tribunals or establishing a separate dispute settlement mechanism.[13] He proposed a two-stage process, consisting of an informal dispute resolution phase and an expedited arbitral proceeding in case the informal dispute resolution phase fails.[14]

97. The General Assembly requested the Secretary-General to present a report at its 67th session further elaborating on the proposed mechanism and including an analysis of the policy and financial implications should individual contractors and consultants covered by the proposed expedited arbitration procedures be granted access to mediation under the existing informal system. The Secretary-General presented the said report.[15] At the completion of this review, the final decision of the General Assembly was pending.

98. In most of the organizations, the contractual provisions concerning non-staff personnel and consultants contain articles regarding amicable dispute settlement and reference to arbitration as a final dispute settlement option using various modalities, such as the International Chamber of Commerce and resolution of arbitrators to be designated by both parties, the arbitration rules of the United Nations Commission on International Trade Law. Officials stated that disputes reaching the arbitration stage were extremely rare as disputes are often settled amicably or by involvement of in-house legal departments. The policies of some organizations also mention specific internal mechanisms: UNFPA requires that disputes in field duty stations be referred to the responsible division at headquarters, and UNESCO allows the involvement of the Chairperson of the Appeals Board if disputes are not resolved.

99. Only a few organizations have formally allowed consultants access to their justice systems if disputes arise. FAO and WFP provide an avenue to the justice system based on the provisions of the FAO Manual. As this is not specifically stated in the contracts, few consultants are actually aware of it. IFAD consultants also have access the Joint Appeal Board before engaging in any arbitration procedure. ILO contracts explicitly stipulate that any dispute arising out of the application or interpretation of ILO external collaborators contracts shall be referred, as final step, to the Administrative Tribunal of ILO.

100. Most of the organizations stated that the existing system of amicable conflict resolution and arbitration has worked well to date. They raised concerns that opening up an internal justice system to non-staff would be costly and could saturate the system. However, considering the lengthy and complex process of international arbitration, it cannot be considered a practical, accessible and effective manner of addressing concerns of this large workforce. Indeed, in practice, it is extremely rare that parties resort to external arbitration.

[12] General Assembly resolutions 65/247, 63/250 and 61/244.
[13] A/66/275, annex II.
[14] Ibid., para. 5.
[15] A/67/265, annex V.

101. The Inspector is of the opinion that consultants and other non-staff personnel, who represent a significant part of the workforce of the United Nations system organizations, deserve an accessible and effective justice system appropriate to their specific situation. It would be difficult to propose a "one-size-fits-all solution" for this issue; however, there is need to consider, discuss, and find the best solution possible. The assumption that setting up an internal justice system for non-staff personnel would increase the case load may not be accurate in practice. Taking into account developing experiences and new attempts in this regard, organizations should consider finding appropriate solutions. Organizations should, at least, consider establishing informal/voluntary/administrative internal dispute resolution mechanisms that can be used before resorting to formal external processes.

Representation

102. During the interviews, consultants welcomed the opportunity to express their views and share their experiences, from both professional and personal perspectives, on various issues mentioned in this report. Staff representatives stressed their concern about the implementation of consultancy policies and referred to the risk of discretionary practices and the creation of precarious statuses caused by the extended use of non-staff personnel for long periods of time.

103. Consultants and other non-staff personnel are not formally represented by staff unions or any other association. While for short-term consultants this may not be a problem, it becomes a concern when non-staff personnel work for longer periods on the premises of the organizations. In the absence of appropriate channels for communicating with the administration, consultants refrain from talking about problems and filing complaints individually, in particular considering their weak statutory position within the organizations. They are often not aware of the applicable contractual provisions, their rights, nor the possibility of informal consultation. They complained that they did not have anyone to consult other than the administration.

104. Many staff representatives interviewed stated their willingness to accept consultants and other non-staff personnel as members of their associations and to represent them officially. They said that they were already providing informal consultations and support to consultants on an ad hoc basis.

105. The emergence of a new component of personnel in the United Nations system organizations makes it necessary to have the means to listen to and consider the concerns of these personnel. There is a potential benefit to be gained by better integrating this growing group, instead of creating a silent workforce. Organizations need to explore formal or informal means to facilitate a communication process through which managers could hear constructive suggestions for improvement. The modalities for achieving such integration may vary from allowing staff associations to represent consultants to arranging specific consultation meetings with non-staff personnel or allowing them to choose internal or external representatives. **Organizations should consider consultants as an asset, particularly as some of them have gained significant corporate knowledge.**

The implementation of the following recommendation is expected to improve the effectiveness of management within the organizations.

Recommendation 6

The executive heads of the United Nations system organizations should consider appropriate modalities in order to provide consultants and other non-staff personnel with accessible and effective dispute settlement mechanisms and explore ways of listening to them and addressing their concerns.

IV. Management of consultants

A. Roles, responsibilities and internal control

Role of human resources and procurement departments

106. Clarity in roles and responsibilities and an appropriate separation of duties are important for ensuring accountability and effective internal control in the organizations. The majority of the United Nations system organizations handle the selection and recruitment of consultants and individual contractors as part of a human resources process, emphasizing that the focus is on hiring a person and his or her personal expertise, not an entity. However, at UNDP, WHO, and UNOPS, it is the procurement department that deals with the recruitment of consultants.

107. The review found that there were problems in the interpretation of roles regarding the use of consultants. In general, the policy departments (human resources or procurement) are satisfied with their advisory role but are not willing to accept any role to monitor and enforce the proper implementation of policies. Although some policy documents assign strong responsibility to the human resources department for the implementation of the policies, human resources managers usually are not willing to assume that role due to lack of enforcing power and the operational capacity to deal with such a substantial amount of non-staff personnel. Therefore, there is, to some extent, a lack of ownership of the issue at corporate level.

Delegation of authority

108. Usually field-based organizations are decentralized and the decision-making and recruitment processes are delegated to the departments and field offices. Thus delegated departments and offices are responsible for ensuring compliance with rules and regulations regarding the use of consultants. At some organizations, the use of consultants at the headquarters is still subject to the approval of human resource management. Headquarters-based normative organizations split responsibilities between hiring managers and the human resources department. In these organizations, the hiring departments/units initiate the consultancy process, including the request for a consultancy and the identification of a suitable candidate; and the human resources department reviews the appropriateness of process from the perspective of policy and procedures and gives final approval for recruitment, including remuneration. Thus, accountability is spread across hiring managers and human resources departments.

109. The interviews reflected that there is the perception that when the decision to use consultancies is delegated to the substantive departments and field offices, the relevant human resources or procurement departments at headquarters has no further responsibility. Those departments seem to believe that enforcement of proper implementation and compliance, internal control, monitoring and assessment are the functions of internal audit departments. Organizations need to correct this misperception by clarifying that those functions are the responsibility of management. When delegated authority has been granted, human resources and procurement departments should establish proper internal control procedures as well as implementation monitoring and assessment mechanisms to facilitate proper implementation and minimize risks in the process.

110. An important internal control element to be considered is the separation of duties. In headquarters-oriented organizations, hiring managers, finance and human resources officers are involved in the consultancy hiring process. However, in decentralized or field-based organizations, field office managers take the decisions and this can pose problems. Some organizations require human resources officers in the field offices to review and approve the process from a procedural perspective before completing the process. The signature of two senior officials may also be required to complete the process. These are good practices to be considered in order to reduce risk.

Built-in control measures

111. An important element to ensure better control of compliance with rules and regulations in the selection and use of consultants is to introduce built-in control and monitoring measures into the information systems. When the entire consultant recruitment and management processes are integrated into information systems at the transactional level, such built-in controls can play a critical role as the information systems can detect and block many improper transactions (e.g., excessive remuneration, excessive contract duration, including accumulated maximum duration, and overuse of retirees) which otherwise go undetected.

Involvement of contract committees

112. In some organizations, even if the process is delegated, the approval of human resources or procurement boards or contract committees is required for consultancies at certain levels. Furthermore, when there is an exception to the rules, like waiving competition, exceeding remuneration ceiling, or recruiting a retiree beyond the terms of relevant regulations, human resources department or contracts committees must review it. For instance, at UNICEF, UNOPS and WHO, the contracts committees at headquarters or at regional level play a key role in monitoring the use of consultancies above a certain value. The involvement of contract committees and human resources or procurement departments in the process reinforces internal control and proper implementation of policies.

113. Organizations need to ensure that a department (human resources or procurement) at headquarters has the responsibility for both policy guidance and compliance monitoring throughout the organization. Although it is understandable that "case-by-case" monitoring and enforcement is not rational at headquarters level, the overall monitoring, assessment and compliance checks can contribute to the proper use of contracts and hence the efficient use of resources. When human resources or procurement departments are involved, they can enforce accountability for policy compliance, but often they have little capacity to monitor, assess, and

enforce a proper process. Therefore, these departments should be furnished with the necessary information management tools and resources.

114. Internal controls with respect to the rules of engagement and the management of consultants need to be strengthened. In most cases, line or programme managers have primary responsibility for using consultants. Therefore, the hiring manager has a major role to play with regards to policy compliance when selecting, recruiting, managing, and evaluating a consultant. As this is an accountability requirement to ensure the proper use of consultants, this aspect should be a part of the performance assessment of those managers. Policy documents should not only stress accountability, but should also indicate ways to implement and enforce it. During the interviews, ILO managers stated that there was an annual self-certification process for managers in place to confirm their compliance with policy provisions.

The following recommendation is expected to enhance accountability.

Recommendation 7

The executive heads of the United Nations system organizations should ensure that roles and responsibilities for the use of consultants are clearly established and proper monitoring and internal control measures are introduced for the effective implementation of relevant policies.

B. Competition process and roster management

Use of in-house expertise

115. The assessment of the capacity of the existing workforce is central to deciding on the need for consultancies, as emphasized by the General Assembly in its resolutions requesting the Secretary-General "to make the greatest possible use of in-house capacity".[16] Only some organizations have policies with an explicit requirement to assess in-house expertise before resorting to consultancies. In practice, however, there is little evidence that organizations have mechanisms in place or even make an effort to assess in-house competencies and expertise before turning to individual consultancies. This is a lost opportunity. A more proactive attitude towards using internal expertise, combined with an updated inventory of the skills of the current workforce, would likely reduce recourse to consultancies.

116. The review found that in the United Nations system, there are a few initiatives in this respect. UNHCR policy requires that prior to seeking outside expertise, an attempt should be made to identify qualified staff within UNHCR. The career management support unit is tasked with checking whether there are qualified staff members in the workforce in between assignments before resorting to consultants. At WFP, the Human Resources Division reviews consultancy requests and considers whether internal staff members with the requisite skills and experience are available to perform the defined duties; the Human Resources Recruitment Branch compiles and maintains an internal placement list to facilitate this process.

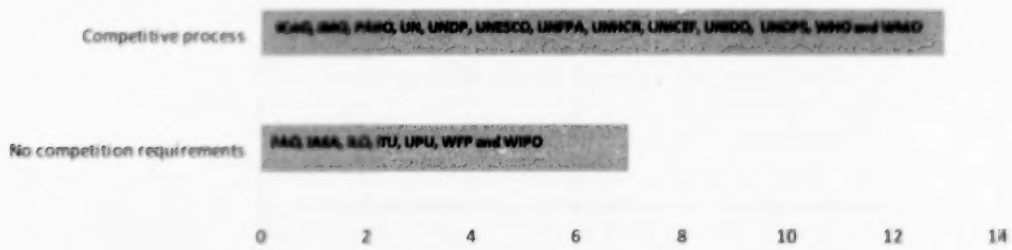
[16] General Assembly resolutions 61/244, 63/250 and 65/247.

117. Managers often state that they are already short staffed and that it is unlikely that they will find internal staff to mobilize. Nevertheless, there is always room for efficiency and one of the main reasons why consultants are used for longer than three or six months is the inflexibility of internal staffing policies. It is often difficult to move staff or staff posts across organizational units and locations. More flexibility in the use of staff resources would likely reduce the use of consultancies and consultancy-related expenditure. There is need for both corporate policies and the internal management culture to allow for and motivate the optimal use of existing staff. **Organizations should explore opportunities to better utilize in-house expertise with a view to reducing consultancy-related expenditure**.

Competition requirements

118. The requirements and modalities of a competitive process and their implementation in practice for the selection of consultants vary among the organizations (see figure 2 and Annex V).[17] Some policies have no competition requirements and therefore create the risk for discretionary practices. Many organizations that use competitions generally consider three candidates before the final decision is made. However, some have more rigorous requirements depending on the value of the consultancy contracts (external advertising, involvement of interview panels, selection reports, etc.).

Figure 2
Competition requirements in the recruitment process



Source: JIU questionnaire and desk review.

119. Consultants are normally hired as temporary personnel for a specific purpose, and in many cases, they have to be on board immediately. Therefore, engaging a consultant should not require the same recruitment procedures as a staff member. However, since the use of consultants and the financial resources allocated to them are increasing, competition for consultancies is an important issue. Organizations need to ensure transparency of the selection process and recruit the best qualified candidate for the assignment. Therefore, while maintaining relative flexibility, the organizations need to introduce measures to ensure more transparency, objectivity, and competition in the selection and recruitment of consultants.

120. From the perspective of ensuring value for money, it would be good practice to set the level of competition requirements according to the remuneration and duration of the consultancy assignment. Some organizations have already adopted this

[17] UNICEF was the only organization to provide information concerning the types of selection processes: in 2009, 78 per cent of the recruitments were competitive, while 22 per cent were single source.

approach. UNDP considers three progressive threshold amounts based on (a) no competition; (b) review of three candidates; and (c) effective competition with advertisement. The highest threshold requires advertisement, competitive desk review and mandatory interviews.

121. UNICEF often advertises consultancy positions and uses interview panels to ensure competition. A review of UNICEF case files[19] indicated the rigorous use of interview panels and proper records of the processes. FAO adjusts the modalities of competition according to the expected duration of the assignment and/or the potential extension in the context of a long-term project. In such cases, a public advertisement is issued for 15 days, and a selection committee composed of three staff members at the professional level assesses the short-listed candidates and submits a selection report to the Human Resources Division.

122. During the interviews, many line managers reported that they had difficulties finding qualified candidates and that the time spent on bureaucratic procedures including interview panels was too long. They usually objected to competition, citing immediate need. Advance planning of consultancy needs and value-based competition, rather than across board competition for all assignments, would reduce the administrative burden and also provide for meaningful competition. For instance, any consultancy with a term of over six months and/or above a certain remuneration threshold could be advertised for competition. Contract duration and value considerations should be based on the work to be performed. Therefore, using successive short-term contracts for the same work should not preclude the use of effective competition methods. In the case of urgent needs and scarcity of qualified candidates, the policies of most of the organizations contain rules for waiving competition.

123. Recruitment of the best qualified candidate can be accomplished through good planning, targeting many candidates and effective competition. Wider dissemination of consultancy opportunities would contribute to netting more qualified candidates for recruitment. To this end, dynamic roster databases could provide more candidates for a faster selection process and also facilitate the competition. They would facilitate speedy recruitment of consultants who already have good track records, and require more rigorous competition for newcomers.

Roster management

124. The governing bodies of several organizations requested that a central roster of consultants be created. This was also suggested by some internal and external oversight bodies in a number of organizations. Roster management at most of the United Nations system organizations is mostly fragmented at departments, units and office levels without any policy guidance. Each establishes informal rosters with information on known consultants and, in most cases, the rosters are outdated. Only a few organizations have invested in developing and maintaining a formal central roster (see Box 3).

[19] UNICEF New York office.

[illegible]

[illegible] [illegible] [illegible] [

Table 1

[redacted] of consultants in the United Nations organizations, 2008 [2010]

[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]

Source: Based on figures provided to JIU.

139. Having a dynamic roster policy is an important element for improving both geographical diversity and gender balance as it would provide managers with a larger pool of qualified candidates for selection. Organizations need to be more proactive in reaching out to candidates from developing countries. This could be achieved through various methods, including the following:

- Planning consultancy needs well in advance so as to be able to expand consultancy pool;
- Exploring more innovative ways to reach out to candidates from developing countries, such as advertising vacancies on the web pages of relevant occupational groups in those countries;
- Requiring that at least one of the short listed candidates be from a developing country;
- Setting indicative diversity and gender balance goals and monitoring their achievements regularly.

140. As the goals of many organizations strongly relate to development issues, including capacity development, the use of qualified consultants from developing countries would contribute to the achievement of these goals. Taking into consideration the significant amount of consultancies across the United Nations system, it would be advisable to pay more attention to this issue now.

The following recommendation is expected to improve the management of consultancies through dissemination of best practices.

Recommendation 9

The executive heads of the United Nations system organizations should ensure that geographical diversity and gender balance are addressed in the consultancy policies of their respective organizations and promoted proactively.

D. Remuneration

141. There are significant discrepancies and inconsistencies in remuneration across the system and within each organization. Annex VI to this report provides summary information on the remuneration schemes within the United Nations system together with the respective authorities that determine remunerations and grant exceptions to rules and remuneration ceilings.

142. Across the system, various elements are taken into consideration when determining remuneration/fees, such as profile and experience of the consultant as stated in the curriculum vitae, complexity of services or products to be delivered and consultant's previous remuneration, among others. In practice, managers tend to establish the remuneration mainly on the basis of the profile and experience of the consultant, which may lead to a higher remuneration than necessary. Furthermore, some policy documents on determining remuneration place emphasis on the experience and background of the consultant rather than on the nature and complexity of the work to be performed.

143. In addition, the lack of adequate funding often leads managers to choose a lower level of remuneration. This is often the case when the available fund/budget is not sufficient to provide a corresponding level of remuneration. If there is a scrutiny on remuneration in the organizations, it is to prevent the provision of high consultancy fees; there is no attempt to prevent the provision of a low remuneration.

144. The primary factor in determining remuneration should be the complexity of tasks and deliverables as described in the terms of reference (TOR), rather than personal profile or experience. Equal work should be remunerated at comparable levels. The preparation of detailed and specific TOR with clear deliverables is crucial for the recruitment of the best qualified consultants, the determination of an equitable remuneration, monitoring and execution of contracts and proper performance assessment. The interviews with consultants and review of case files indicated that sometimes the content of the TOR and the work assigned in practice did not match, particularly when consultants are given successive contracts and work on the premises of the organization for a long period of time. Sometimes the TOR are too general and include vague provisions on the work to be delivered.

145. In order to provide a framework for determination of remuneration levels, organizations usually establish remuneration bands based on staff salary scales. Managers are supposed to decide which band is applicable, based on the complexity of the work and the expected deliverables to determine the final remuneration within the range of the band, taking into account the experience of the consultant. The decision on the final remuneration is taken either by the hiring manager or by the human resources officer in consultation with the hiring manager.

146. During the interviews, many hiring managers and consultants complained about the lack of clear and comprehensive guidelines regarding remuneration. While some organizations do not have any policy and guidelines at all, available guidelines in other organizations are usually outdated or include only a list of remuneration bands. This often results in significantly different remuneration levels for similar tasks within the same organization or sometimes even variable remuneration for successive contracts involving the same tasks. This is detrimental to a consistent, fair, and transparent application of remuneration bands. Organizations need to update their remuneration schemes, adopt detailed implementation guidelines, and maintain dynamic consultancy databases with remuneration records.

147. In some cases, it may be difficult to determine an appropriate remuneration due to difficulties establishing equivalency with regard to staff work and lack of information on market rates. The interviews indicated that existing remuneration schemes need more flexibility in order to address higher remuneration needs in certain technical areas such as IT and ERP consultancies. Sometimes market rates for a qualified consultant in these areas are much higher than the maximum remuneration level set by the United Nations system organizations. In such cases, it is important to objectively justify the proposed remuneration; the organizations need to find creative objective methods for these cases. For instance, hiring managers at UNICEF present prevailing remuneration levels on the web pages of relevant occupational groups/associations as one of the elements to justify their remuneration proposals.

148. The Inspector found that proper market research was only conducted in a few cases to determine the remuneration at a given location or within a specialized area of expertise (such as information technology). It is understood that conducting systematic market surveys would be neither feasible nor appropriate in most of the cases. However, organizations may consider conducting joint surveys in some common consultancy areas based on the cost-benefit analysis.

149. Some programme managers highlighted the lack of competitiveness of the remuneration levels currently applicable in their organizations. The remunerations levels in their organizations were established years ago and are no longer aligned to the realities of the market, especially in some areas which require complex expertise. The managers argued that the United Nations system faced the risk of not being able to hire the best available expertise or was exposed to substandard delivery performance. It was also mentioned that sometimes, in order to overcome low remuneration rates, hiring managers resort to inappropriate practices such as fictitiously increasing the contract duration for certain deliverables in order to compensate for the inadequacy of remuneration rates.

The following recommendation is expected to enhance the effectiveness of consultancy management.

Recommendation 10

The executive heads of the United Nations system organizations should ensure that their respective organization has an up-to-date remuneration policy for the use of consultants supported by adequate guidelines for consistent implementation.

E. Oversight

Performance evaluation of consultants

150. Due to the nature of their work and their status, individual consultants are supposed to work independently and in an individual capacity. However, assessing their performance is important both for remuneration purposes and for tracking work performance for future engagement. In the United Nations system, the vast majority of organizations, except IAEA, ILO, WIPO, and WMO, have established standard performance evaluation procedures.

151. Some organizations evaluate consultants' performance using standard forms with elaborate questions, while other organizations do not use any forms but require a statement of satisfactory delivery of tasks by the hiring manager. Well elaborated and structured forms for assessment of overall work delivery and quality, including the technical and personal abilities of the consultant, are used in UNICEF, WFP, and WHO. These standard forms are useful for enforcing effective performance assessment. The Inspector encourages all organizations are encouraged to use similar assessment forms.

152. The timing of the evaluation should be considered in accordance with the length of the contract. For example, UNICEF conducts the evaluation upon completion of the assignment for contracts of less than six months; but conducts an interim evaluation at six months for longer contracts.

153. Based on the consultancy case files reviewed, the quality and seriousness of the performance evaluations fluctuate greatly among organizations and from one department to another within the same organization, depending on the managers involved. Evaluation documents lack the qualitative component of the work performed or the product delivered. There is a risk that the performance evaluation is considered as a bureaucratic exercise and forms are filled out carelessly so that the practical value added of the assessment is neglected. In cases where a performance evaluation is not a criterion for final payment, the quality of the assessment and the use of evaluation forms are particularly undermined. The requirement for a mandatory performance evaluation for final payment would improve the process.

154. To enable a proper performance evaluation, the TOR for the consultancy contract should include a clear description of tasks to be performed, the expected deliverables and specific indicators for achievement. In a number of case files reviewed, the TOR was vague, too general or only focusing on the activities to be undertaken by the consultants. In some cases, the TOR was drafted as a job description for a regular staff post and included the requirement to perform "other tasks as needed". In the absence of performance criteria, the performance assessment procedure is often considered complete with the statement of "satisfactory work".

155. Performance evaluations are not generally shared with the consultants. During the interviews, many consultants, in particular those working for longer periods, expressed an interest to see the evaluation forms and to discuss their performance with their supervisors. Sharing the performance evaluations with the consultants can contribute to enhancing their performance and improving the quality of their work. The review also found that no sanction mechanism is used in cases of poor performance; partially or fully retaining payment is extremely rare. It seems also that managers are reluctant to acknowledge poor or unsatisfactory services.

Absence of knowledge sharing on performance

156. In many organizations, there is no adequate mechanism for sharing information on performance evaluations. Records of consultants' previous performance are rarely kept in an electronic central database. Therefore, it is not unusual for consultants to be recruited by different departments despite a negative performance evaluation for previous job in another department.

157. There is a potential benefit to be gained from ensuring an electronic linkage between consultant rosters and their performance evaluation records, and making it

accessible to hiring managers. This can facilitate the selection of the best qualified candidates for future consultancies. Furthermore, **information systems should automatically bring to the attention of hiring managers the names of consultants whose previous performance was considered as not satisfactory.**

158. Some organizations are already taking steps towards making better use of performance evaluations. Managers at UNOV/UNODC are authorized to review past performance records during the selection process. WHO keeps evaluation documents in a repository of documentation database, which can facilitate their use by hiring managers.

Monitoring, auditing and reporting

159. The most important asset of the United Nations system organizations is their human resources. While the recruitment and management of staff are closely monitored in every aspect, the recruitment and management of consultants are often overlooked or ignored. The substantial level of consultancy inevitably exposes the organizations to significant financial and reputational risks, therefore consultancies should be closely monitored and overseen, not only by senior management and internal audit bodies, but also by the legislative/governing bodies.

Need for organization-wide focused audit

160. The internal audit reports studied during this review indicated the lack of competition in the selection of consultants, misuse of consultancy contracts to perform staff functions, and unjustified high remuneration practices. Although there are consultancy-related audit reports these are usually limited to some departments. Organization-wide comprehensive audits of consultancies or non-staff arrangements are not common in the organizations. Considering the substantial level of resources involved and the high level of delegation of authority, consultancies and other non-staff arrangements may constitute a major risk area for many organizations.

161. **There is a potential benefit to be gained from organization-wide focused audits on this issue, particularly in organizations where consultancies are significantly used.** FAO officials informed the Inspector that the auditors have included in their risk-based audit plan for 2012-2013 a dedicated review of the organization's general policies and procedures on the use of non-staff human resources, including consultants. IAEA also reported that its internal oversight service had undertaken an organization-wide evaluation of consultancy practices in 2011. The United Nations Office of Internal Oversight Services also conducted a number of consultancy audits in various departments of the Secretariat.

Need for better monitoring

162. As highlighted above, the use of consultants in many organizations is delegated. Senior managers often consider that the monitoring and enforcement of proper implementation of consultancy policies is the responsibility of internal audit departments. The lack of ownership coupled with the lack of adequate information systems create significant risks for the organizations. The Inspector would like to emphasize that monitoring and internal control is the responsibility of management. Therefore, executive heads must assume their management responsibility and establish adequate mechanisms to that effect.

163. Information management systems have a central role in the effective monitoring function. Many information systems currently do not offer the capability

to extract relevant information on individual consultants, in particular from field offices. As such, available information is often fragmented or incomplete and produced only on request. Information on consultants is often kept in different parts of the system, which does not facilitate aggregate reporting and analysis of the global use of consultants. This situation has negative consequences on the effective management, monitoring and oversight of the use of consultants, as well as on the efficient planning of the entire workforce.

164. Some organizations already have ERP systems in place, which comprise a wide range of consultancy records, including performance assessments. FAO, UNOV/UNODC, ICAO, IFAD, PAHO, and UNICEF all have information systems capable of producing various types of relevant information on consultants. IFAD's information records include various relevant data, such as unique identification, name, gender, country of origin, hiring periods, remuneration, travel, consultancy area, and waivers (e.g. exception to remuneration ceiling). PAHO's system produces monthly reports containing information on the duration of ongoing contracts, personnel approaching retirement and contract expiry date, which alert managers and enable better planning.

165. UNIDO is integrating a new human resources module in its information system to cover non-staff personnel. Its policy envisages the preparation of annual reports on various aspects of the utilization of external expertise, including applied fees structure, cases requiring special authorization, geographical balance, and various indicators derived from evaluation reports. These reports would then be distributed to senior managers.

166. UNICEF provided comprehensive data on the use of consultancies, which include name, gender, nationality, previous relation with the organization, local or international consultancy status, administrative and financial data of contracts, dates of contracts, sources of financing, invoices and available balance of fund/budget and operational information, such as name of manager and functional area.

167. Although the capabilities of information systems of the United Nations system organizations vary and do not capture all aspects of the use of consultants, it should be noted that the organizations do not make full use of the information already available for monitoring, controlling and decision-making with regard to consultancies. Most of the organizations do not practise analytical internal reporting and exchange of views on findings at the senior management level. The Inspector recalls that information systems are designed not only for operational needs at the transactional level, but also to serve as a management and monitoring tool. Organizations tend to produce consultancy statistics only when requested to by the governing bodies, rather than using them for effective internal monitoring and efficient use of resources.

168. Senior managers and governing bodies should be provided with both statistical data and analytical information and assessments, such as on developing and changing trends in the use of consultants, levels of exceptions and justifications, locations of exceptions, mapping of the use of consultants on the premises of the organizations, and programmes which enable the establishment of relevant measures to mitigate the risks identified. The United Nations system organizations need to adopt a planned and structured approach to collecting and using information.

169. During the interviews, officials of two organizations stated that, based on the review of consultancy statistics, the heads of the respective organizations questioned the use of consultancies and drew the attention of managers to this issue, which

subsequently led to a drastic decline in the use of consultancies. This is an example of how even a simple monitoring exercise at the top management level can have impact on the proper use of resources.

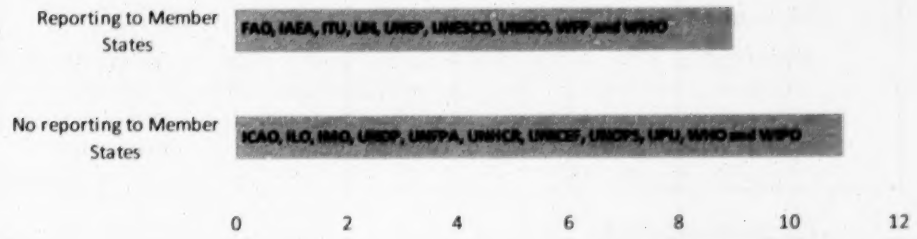
Box 4
Elements to be recorded, analysed and reported

- Assessment of relative weight of non-staff personnel/consultancies in total workforce;
- Total consultancy expenditure breakdown by contract type, department/office, location and programme;
- Number of contracts by type and fees in each business unit, location and globally;
- Breakdown of contracts by remuneration bands and professional/occupational groups;
- Geographical diversity and gender balance;
- Duration of contracts by category and average duration;
- Source of funding (regular or extrabudgetary);
- Statistics on waivers to rules and regulations (e.g. exceeding remuneration ceiling, duration limits) and breakdown of waivers by department/office and country;
- Number of retired staff rehired, level, duration and location
- Number and list of consultants on contract for longer than one year within a 2-year period, location and area of use;
- Analysis of above information, including justification for waivers, trends and comparison with previous years.

Strengthening the oversight role of legislative/governing bodies

170. FAO, IAEA, the United Nations Secretariat, UNEP, UNESCO, UNIDO, WFP and WMO regularly report on the use of consultancies to their governing/legislative bodies. These reports focus either on consultants and other types of non-staff personnel or deal with human resources management in general, with a section on consultancies.

Figure 4
Reporting to Member States on non-staff personnel/consultants



Source: JIU questionnaire and desk review.

171. In general, these reports do not provide complete analytical statistics or informative assessment of these statistics, nor practical conclusions for decision-making, and only a few of them include a sufficient level of analysis and practical conclusions for Member States' attention.

172. The UNESCO report includes relatively good statistics and analysis[19] and provides information on overall spending on consultancy contracts as an amount and percentage of overall budget, comparison with previous year's figures, breakdown of contracts by headquarters and field offices, average spending per contract, source of funding of contracts at headquarters and in the field by regular and extrabudgetary resources, breakdown of consultancy contracts by amount and duration and by sector/bureau, thematic activity and regional groups; number of retired staff hired, and amount spent by headquarters and field offices.

173. In view of the structural policy implications on increasing the level of consultants, it is imperative that the legislative/governing bodies of the organizations exercise their oversight function. To this end, this issue should be included in the agenda of meetings of the legislative/governing bodies, either as a dedicated agenda item or as part of human resources management issues. In order to facilitate the oversight function of the legislative/governing bodies, the heads of the organizations should periodically provide them with good quality analytical reports.

[19] Report of the Director-General of UNESCO on the use of consultant contracts by the Secretariat in 2010. 186 EX/6 Part IX.

The following recommendations are expected to enhance control and compliance of consultancies.

Recommendation 11

The executive heads of the United Nations system organizations should strengthen oversight on the use of consultants through effective performance evaluation, audits, monitoring and analytical internal and external reporting, with a view to ensuring proper use of contracts and efficient use of resources.

Recommendation 12

The legislative/governing bodies of the United Nations system organizations should exercise their oversight function on the use of consultants through regular reviews of analytical information provided by the executive heads of the respective organizations.

V. Need for a system-wide approach

174. The review found that policies lack overarching principles and related criteria to guide managers in choosing between staff and non-staff contracts. From the perspective of international labour principles and practice, the United Nations system organizations should better consider the existence, or the absence, of an employment (employer-employee) relationship to determine the appropriate contractual modality and related social security benefits. In the case of an established employment relationship, irrespective of whether the work to be performed is part of the core functions or not, or whether the work is continuous or not, the contractual modality has to be a staff contract. In the case of an independent contractor relationship, the contractual modality has to be a non-staff contract.

175. **The United Nations system organizations need to align their policies with international labour principles and best practices** so as to create the conditions to clarify the functional definition of and the distinction between staff and non-staff personnel categories composing their workforce. Such clear delineation would help managers to select the appropriate contractual modality based on established guidelines and agreed indicators. Furthermore, managers should be instructed that their choice of contract must be based on the employment relationship criteria rather than any other factors.

176. The present report includes 13 recommendations aimed at improving the policies and practices of the organizations in the use of consultants. Eleven recommendations are addressed to the executive heads of the organizations. While the executive heads of the organizations have primary responsibility for implementing these recommendations, the HLCM/HR network can greatly facilitate their implementation in a harmonized way by discussing and preparing common policies and guidance in relevant areas.

177. The United Nations system organizations face similar challenges and problems in the use of consultants and other non-staff personnel. Recommendations 1, 2, 3, 4, 5, 6 and 10, in particular should be the subject of system-wide discussion and a

common approach to facilitate coherent and consistent implementation thereof across the system. To this effect, **a dedicated working group/task force should be set up under the HLCM, with the mandate to develop a common approach to guide the implementation of these recommendations in the organizations.**

The implementation of the following recommendation is expected to enhance the management of consultancies through the dissemination of best practices.

Recommendation 13

The Secretary-General of the United Nations, as the Chairperson of the CEB, should, through the HLCM/HR network, initiate the development of a common policy approach for the implementation of recommendations 1, 2, 3, 4, 5, 6 and 10 of this report. For this purpose, the establishment of a specific task force should be considered.

[illegible]	[illegible]	[illegible]
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[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

Organization	Definition of individual consultant	Source
IAEA	Consultants may be engaged to: (a) provide advice in a field where the required expertise or training is not available within the Secretariat; or (b) provide specific services for a limited period of time or on a project basis; or (c) support other programmatic needs. Under Special Service Agreements (SSAs), a consultants is granted the status of expert in accordance with Article XVI of the Headquarters Agreement and Article VII of the Agreement on the Privileges and Immunities of the IAEA. Under CSAs, a consultant has the status of an independent outside contractor who is not protected by any of the aforementioned agreements.	Administrative Manual. Personnel not subject to standard recruitment procedures (AM.II/1.1.1c) and Annexes
Other		
PAHO	A PAHO consultant is an individual who is a recognized authority or specialist in a specific field, engaged under a temporary contract in a technical advisory or consultative capacity. A consultant must have special skills or knowledge not normally possessed by the staff of the Organization and performs functions for which there is no continuing need in PAHO	PAHO WHO I. Manual III.16.2 Consultants (2011)

Annex III

Contractual modalities and related benefits provided by the United Nations system organization

Organization	Type of contracts	Malicious Act Insurance	Service-incurred death, injury or illness compensation	Life, health and other forms of insurance	Annual leave	Sick leave	Others
United Nations, funds and programmes							
UN Secretariat	Consultants contracts under ST/AI/1999/7	Yes	Yes	No	No	No	n/a
UNHCR	Consultancy Contract	Yes	Yes	No	No	No	No
UNDP	Individual Contract (IC)	Yes	Yes	No	No	No	No
UNFPA	Individual Contractor Agreement (ICA) through UNOPS to consultants at Headquarters	UNOPS policy is applied					
	Special Service Agreements (SSAs) to international consultants at a field duty stations	n/a	n/a	n/a	1 day/month if contract of 6 months and over	n/a	No official holidays paid if less than 30 day-contract
	Special Service Agreements (SSAs) through UNDP to local consultants at a field office	UNDP policy is applied					
UNICEF	Consultants contracts under HR manual	Yes	Yes	No	No	No	No official holidays paid
UNOPS	Individual Contractor Agreement (ICA)	Yes	Yes	Yes	Yes	Yes	n/a
WFP	Consultancy contracts under FAO manual Section 317	Yes	Yes	Medical insurance Life, Accident and Disability Insurance (optional) for contract of 6 months and over	No	Uncertified sick leave at discretion of managers Payment certified sick leave by WFP and medical insurance	10 official holidays/year) Commissary privileges in **certain cases** for Headquarters consultants

Organization	Type of contracts	Malicious Act insurance	Service-incurred death, injury or illness compensation	Life, health and other forms of insurance	Annual leave	Sick leave	Others
Specialized agencies and IAEA							
ILO	External Collaboration Contract	No	No	No	No	No	n/a
FAO	Consultancy contracts under Section 317 FAO Manual	Yes.	Yes	Medical insurance Life, Accident and Disability Insurance (optional) for contract of 6 months and over	No but unpaid absence maybe authorized	No but honorarium paid if certified sick leave (by FAO and medical insurance)	Commissary privileges in certain cases for Headquarters consultants
UNESCO	Contract for individual consultants	Yes	Yes	No	No	No	n/a
UNIDO	Individual service Agreement (International consultants): regular or WAE	Yes	Yes (who are authorized to travel at UNIDO expense or while working in a UNIDO office on official UNIDO business)	No	2.5 days/month for "regular" ISA contracts of 6 months and over. Max 18 days of AL may be accrued and carried over at the end of calendar year.	For "regular" ISA contracts of six months or longer up to 2 days of sick leave full pay per calendar month (cannot be accrued)	n/a
	Individual service Agreement (National consultants/Local support personnel): Regular or WAE	Yes	No	Yes (for "regular" ISA contracts)	2.5 days /month for "regular" ISA contracts of 6 months and over. Maximum 18 days of AL may be accrued/carried.	For "regular" ISA contracts of six months or longer up to 2 days of sick leave full pay per calendar month (cannot be accrued)	Maternity leave for up to a maximum of 16 weeks and paternity leave of maximum of 4 weeks subject to budget limitations for "regular" ISA contracts of 12 months or longer
ICAO	Consultant or Individual Contractor Contracts	Only for holders of contracts who serve in or travel to designated hardship duty stations	Yes	n/a	n/a	n/a	n/a
WHO	Consultancy contracts	Yes	Yes	Yes	No	No	Some rest and recuperation entitlements

Organization	Type of contracts	Malicious Act insurance	Service-incurred death, injury or illness compensation	Life, health and other forms of insurance	Annual leave	Sick leave	Others
UPU	All non-core contracts are considered as consultancy contracts	n/a					
ITU	Special Service Agreement (SSA)	n/a	n/a	n/a	n/a		Official holidays
WMO	Special Service Agreements (SSA)	Yes	Yes	n/a	n/a	n/a	n/a
IMO	Technical Cooperation Contracts under UNDP nomenclature	n/a					
WIPO	Special Service Agreements (SSA)	Yes	Yes	No	No	No	n/a
UNWTO	n/a						
IAEA	Special Service Agreement (SSA)	Yes	Yes	n/a	Some days granted, not exceeding 2,5 days/month for contract of 6 months and over	n/a	For initial contract of 1 year, shipment of personal effects, travel cost for recognized primary dependant
	Contractual Services Agreements (CSA)	n/a					
	Letter of Invitation	n/a					
Other							
PAHO	International consultants	Yes	Yes	Some health insurance coverage	No	No	n/a
	National consultants	n/a	n/a	Some health insurance coverage	No	No	Maternity leave

n/a: information not available.

Annex IV

Duration of contracts and breaks applied by the United Nations system organizations

Organization	Type of contracts	Maximum duration	Mandatory breaks	Extension
		United Nations, funds and programmes		
UN Secretariat	Consultants contracts under ST/AI/1999/7	No	No break required	Maximum 24 months in a 36-month period
UNHCR	Consultancy Contract	11 months	1 month	Maximum of 24 months in a 36-month period
UNDP	Individual Contract (IC)	1 year	No break required	Maximum 3 years
	Individual Contractor Agreement (ICA) through UNOPS to consultants at Headquarters	11 months	1 month	Maximum 3 years
UNFPA	Special Service Agreements (SSAs) to international consultants at a field duty stations	11 months	4 months	No limit for extension
	Special Service Agreements (SSAs) through UNDP to local consultants at a field duty stations	11 months	1 month	No limit for extension
UNICEF	Consultants contracts under HR manual	11 months within the same office, and the same work plan and/or project	1 month	Maximum 44 months within 48-month period
UNOPS	Individual Contractor Agreement (ICA)	1 year	No	Formal review of any contract over 4 years
WFP	Consultancy contracts under FAO Manual Section 317	11 months	1 month	Maximum 44 months within 48 months
		Specialized agencies and IAEA		
ILO	External Collaboration Contract	No	No	No limit
FAO	Consultancy contracts under Section 317	11 months	1 month	Maximum 44 months within 48 months
UNESCO	Contract for individual consultants	11 months	1 month	No limits
ICAO	Consultant and Individual Contractor contracts	11 months	1 month	33 months within 36 months An additional final extension may be granted not to exceed 11 months
WHO	Consultancy contract	2 years	No	Extension granted by HRD as appropriate.
UPU	All non-core contracts are considered as consultancy contracts	n/a		
ITU	Special Service Agreement (SSA)	No	No	No limit
WMO	Special Service Agreements (SSA)	9 months	n/a	18 months within 24 months period
IMO	Technical Cooperation Contracts	n/a		

Organization	Type of contracts	Maximum duration	Mandatory breaks	Extension
WIPO	Special Service Agreements (SSA)	No	No	No limit
UNIDO	Individual Service Agreement (ISA)	1 year at a time	No (up to four years of continuous service or total service in a six year period)	May be extended up to 4 years of continuous employment or up to the total duration of 4 years in a 6-year period. Further employment is subject to mandatory review by HRM in consultation with project manager
IAEA	Special Service Agreement (SSA)	1 year	1 month	Up to 2 years
	Contract Services Agreements (CSA)	1 year	1 month	up to 2 years
	Letter of Invitation	10 days	Yes	No
Other				
PAHO	International consultants	1 year renewable once	After continuous contracts equalling 24 months, at least one break of 30 day	
	National consultants	1 year renewable	After continuous or non-continuous contracts equalling 48 months, at least one year break	

n/a: information not available.

Annex V

Policies regarding competition in the United Nations system organizations

Organization	Policy provisions	Policy extracts or comments received from Participating organizations through questionnaires or interviews
		United Nations, funds and programmes
UN Secretariat	Required but sole source accepted	Policy extract: Departments and offices shall consider several qualified candidates for each assignment. On an exceptional basis, and only in case of *force majeure*, a consultant may be engaged even though he or she was the only candidate considered, provided a reasoned and documented justification for such exception is recorded prior to the selection.
UNHCR	Required but sole source accepted	Policy extract: The preferred procedure for selection of a consultant is through competitive selection on the basis of a reasoned and documented process. The hiring manager is responsible for documenting the selection process. The principle factors in the selection of a consultant are: (a) documented competence and experience, (b) academic qualifications and expertise, including demonstrable knowledge and experience, (c) proficiency in the relevant working languages of the UN or other language(s) required according to the terms of reference, and (d) value for money.
UNDP	Required but sole source accepted according to the amount of contract to be procured	Policy extract: Requesting Managers are responsible for the competitive selection. Such process must ensure that minimum of three qualified candidates who fulfil the conditions were reviewed/interviewed/considered for the service. UNDP comment: While the competitive selection process is the norm for all contracts valued above 2,500 USD. Policy also allows sole sourcing based on justification under UNDP Financial Rules and Regulation as: (a) Direct contracts or sole sourcing with a value equal to USD 2,500 but below USD 100,000 require approval of the RR/Head of the Business Unit, or other UNDP staff who have been delegated procurement authority up to such amount and (b) Direct contracts or sole sourcing with a value of or greater than USD 100,000, require Regional Advisory Committee on Procurement (RACP) approval (ACP for HQ units).
UNFPA	Required with adjustment according to the type of consultant	UNOPS Policy applies to Individual Contractor Agreement (ICA) through UNOPS to consultants at Headquarters, UNDP Policy governs the case of Special Service Agreements (SSAs) for local consultants at a field duty stations and
UNICEF	Required, but sole source accepted	For the selection of candidates, each office should establish competitive selection procedures. Such procedures should ensure that several candidates are considered for any job. In selecting the right candidate, there should be careful scrutiny of the TOR, the estimated cost and duration of the contract, and the competence of all suitable candidates. In addition, a Note for the Record must be on file (attached to the contract) showing the basis on which the successful candidate has been selected. Notwithstanding the factors involved in a competitive selection process, under certain circumstances, it may be appropriate to consider a single candidate as the sole suitable source for selection. This is only acceptable in the following instances: a) where it can be demonstrated that the consultant or individual contractor is the only available source of the required service at an acceptable level of quality and cost; and/or b) where it can be demonstrated that a true emergency situation prevents a competitive selection process. Competitive selection may not be waived solely on the argument that the proposed consultant enjoys a good relationship with UNICEF and has performed satisfactorily

Organization	Policy provisions	Policy extracts or comments received from Participating organizations through questionnaires or interviews
UNOPS	Required (roster review) but sole source accepted	Policy extract: UNOPS comment: Competitive selection process is always the preferred selection method.
WFP	Not required	WFP HR managers indicated that as the recruitment of consultants is delegated to managers, there is no formal requirement of a competition but has to be conducted on the basis of clear terms of references checked by HRM.
Specialized agencies and IAEA		
ILO	Not required	Policy extract: External collaborators should be selected from among highly qualified candidates in a specific field of expertise, on the basis of a reasoned and documented process.
FAO	Not required	FAO comment: Recruiting divisions are strongly encouraged whenever possible to engage in a competitive selection process. However, a pragmatic approach is adopted in emergency operations where time-limitations would not allow for a competitive selection. If case of a consultancy mission expected to be "long term" (like 11 months, renewable for IT projects), it is announced on internet of the hiring department.
UNESCO	Required with difference according to amount of contract	Policy extract: UNESCO HR Manual states that "to ensure that the selection process is transparent, fair and secures value for money for the Organization, individuals must be selected in a competitive and objective manner". UNESCO distinguishes contracts of less than 20 000 USD for which at least three suitably qualified candidates should be reviewed from contracts of 20 000 USD or more for which at least three suitably qualified candidates should be asked to submit, in writing: (a) an up-to-date *curriculum vitae*; (b) a statement indicating how their qualifications and experience make them suitable for the assignment, (c) an indication of the approach he/she would adopt to carry out the assignment, including any inputs that may be required from UNESCO; and (d) the overall cost of the assignment, expressed as an overall lump-sum. Any travel and subsistence requirements should be indicated separately.
ICAO	Required, but sole source accepted	Policy extract: Individual consultants/contractors must be selected from among the most highly qualified candidates in the specified field of work. The selection of individual consultants/contractors shall be carried out through a competitive process, managed by the hiring Bureau/Office and involving consideration of several candidates. . The hiring Bureau or Office must complete and attach to its submission an individual consultants/contractor's Selection Report showing the basis on which the successful candidate has been selected. Submitting the name of a single candidate for a contract is acceptable only in the following instances: (a) where it can be demonstrated that the individual consultant/contractor is the sole qualified person to provide the required service at an acceptable level of quality and cost; and/or (b) where it can be demonstrated that an emergency situation precludes the implementation of a competitive selection process.
WHO	Required, but sole source accepted	WHO Policy: Consultants will be selected through a competitive process. In selecting the right candidate there should be careful scrutiny of the TORs, the estimated cost and duration of the contract, and the skills and competence of all suitable candidates, as well as past performance, if applicable. At least three qualified candidates shall normally be considered. On an exceptional basis, only one candidate may be considered, provided that a reasoned and documented justification for such an exception is recorded and approved by the CRC prior to the selection
UPU	Not required	--

Organization	Policy provisions	Policy extracts or comments received from Participating organizations through questionnaires or interviews
WMO	Required	WMO Standing instructions states that several candidates should be considered for each SSA and that in the absence of a roster, a comparative evaluation of at least three candidates has to be prepared. However interview highlighted the absence of competition in practice due to the limited pool of expertise available worldwide
IMO	Only in Technical Cooperation Programmes	IMO comment: The implementing officer is expected to submit more than one candidate for each case for consideration by the Advisory Panel on the Co-ordination of Technical Co-operation Activities.
WIPO	Not required	WIPO comment: Consultants are mostly hired on ad-hoc basis but competition is foreseen in the reform process.
UNIDO	Required, but sole source accepted	UNIDO policy includes distinguishes: (a) a competitive process for contracts with total value of more than EUR 200,000 (through a vacancy announcement and mandatory HRM signature), (b) a non-competitive selection when the candidate is selected from the Resource Pool if the total value of the contract is up to and including EUR 200,000 and (c) a limited competitive process when a suitable candidate is not available in the Resource Pool requiring at least three candidates identified from the Talent Pool provided the total value of the contract is up to and including EUR 200,000.
IAEA	Not required	IAEA comment: Introducing competition requirement was envisaged at the time of the JIU review.
		Other
PAHO	Required, with specific modalities according to duration of functions.	Policy extract: in case of (a) function lasting for one year or less, hiring managers may select a candidate after a careful review and analysis of at least three qualified candidates and (b) functions lasting for more than one year, competition requirements include a 15-day advertisement period, a selection committee and a selection report.

Annex VI

Remuneration schemes in the United Nations system organizations

Organization	Responsibility for fees definition	Remuneration scheme	Applicable guidelines	Exceptions
United Nations, funds and programmes				
UN Secretariat	HR officers	UN distinguishes 3 levels of consultants' fees from USD 5,200 to USD 13,800 monthly, each level has a band range	Guideline on consultant remuneration-effective 01/2010 currently under revision.	Supplementary amount may be authorized by the office of Human Resources Management when expertise required and market rates leads to exceeding the remuneration levels
UNHCR	Hiring managers, HR officers may advise	4 categories	Some elements included in policy document	HR department clears exceptions and Contract Committee clears above USD 100,000
UNDP	Bidding process based on TORs, included travel expenses	Bidding process with a maximum daily rate at USD 1,000. There is also a ceiling of USD 100,000 in 12 consecutive months	Not applicable	n a
UNFPA	Hiring managers	UNFPA has 3 levels of daily fees from USD 300 to USD 750	A set of benchmarks are used to ensure equity and consistency such as prevailing market forces, responsibilities and complexity of the assignment, difficult and/or hazardous conditions, qualifications and years of experience of the consultant, length of the assignment, fees previously paid	Prior approval from the Chief, HR
UNICEF	Hiring managers Contract Review Committee above certain amounts	From USD 190 per day to USD 630 per day	A set of benchmarks is used such as the level of work in terms of responsibilities and complexity, the degree of specialization required, knowledge, qualifications, experience and skills required as well as fees paid to the consultant for previous assignments with UNICEF or other United Nations agency.	Heads of Offices Division Directors may approve higher rates where market rates are more competitive than the amounts of the fee ranges. Contract Review Committee approves rates above certain amounts
UNOPS	Hiring unit	The minimum monthly fee is USD 4,000 and the maximum monthly fee is USD 40,000	n/a	Director of Human Resources Practice Group

Geographical diversity and gender balance provisions in the United Nations system organizations

Organization	Geographical diversity	Gender balance	Other provisions / comments / notes (e.g. targeting, exceptions, through administrative circular etc.)
United Nations system organizations			
[illegible]	Recommended	Recommended	[illegible]
[illegible]	Recommended	Recommended	[illegible]
[illegible]	Recommended	Recommended	[illegible]
[illegible]	Recommended	Recommended	[illegible]
[illegible]	Not addressed	Not addressed	–
[illegible]	Recommended (encouraged)	Recommended (encouraged)	[illegible]
[illegible]	Recommended	Recommended	[illegible]
[illegible]	Recommended	Recommended	[illegible]
[illegible]	Not addressed	Not addressed	–

Organization	Geographical Diversity	Gender Balance	Policy provisions / Comments received from Participating organizations through questionnaires or interviews
Specialized agencies and IAEA			
ILO	Not addressed	Not addressed	--
FAO	Not addressed	Not addressed	FAO comment: Managers are encouraged to consider these factors when undertaking the recruitment of consultants.
UNESCO	Recommended	Recommended	Policy extract: The staff member responsible for the contract should consider geographical distribution and gender balance when selecting an individual where there is an equal level of competence amongst individuals from different geographical regions. They should also make every effort to tap into local expertise, and to select locally, for local projects.
ICAO	Not addressed	Not addressed	ICAO comment: ICAO does endeavour to ensure that persons are selected from the various regions and the selection of qualified female consultants is encouraged.
WHO	Recommended	Recommended	Policy extract: As far as possible, every effort should be made to select consultants from the widest possible geographical base and due regard shall be paid in the selection process to the need for gender balance.
UPU	Not addressed	Not addressed	--
ITU	Not addressed	Not addressed	--
WMO	Recommended	Recommended	WMO Standing Instruction: In order to respect WMO policy on geographical and gender balance, every effort should be made to select candidates for SSA from the widest possible geographical base. The same importance should be given to the gender balance.
IMO	Not addressed	Not addressed	IMO comment: Due to the specialized nature of IMO consultancies, there are very few women in the maritime field and the roster is mainly composed of men. IMO does strive to get more women on the roster of consultants.
WIPO	Not addressed	Not addressed	--
UNIDO	not addressed	Not addressed	UNIDO comment: Consultancies required by UNIDO are in main dominated areas of expertise.
IAEA	Under review	Under review	IAEA comment: The desirability of achieving a gender balance and a wider geographical diversity among the consultants hired by the IAEA was encouraged at the time of the JIU review.
Other			
PAHO	Recommended	Recommended	Policy extract: In the hiring of consultants, due regard shall be paid in the selection process to the need for gender balance. For international consultant assignments, every effort should be made to select consultants from the widest possible geographical base.

Annex VIII

Overview of action to be taken by participating organizations on JIU recommendations

JIU/REP/2012/5

		Intended impact	CEB	United Nations, its funds and programmes													Specialized agencies and IAEA												
				United Nations*	UNCTAD	UNODC	UNEP	UN-Habitat	UNHCR	UNRWA	UNDP	UNFPA	UNICEF	WFP	UN Women	UNOPS	ILO	FAO	UNESCO	ICAO	WHO	UPU	ITU	WMO	IMO	WIPO	UNIDO	UNWTO	IAEA
Report	For action		☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒
	For information		☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Recommendation 1		d		E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E
Recommendation 2		e		E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E
Recommendation 3		e		E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E
Recommendation 4		d		E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E
Recommendation 5		d		E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E
Recommendation 6		e		E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E
Recommendation 7		a		E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E
Recommendation 8		g		E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E
Recommendation 9		b		E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E
Recommendation 10		c		E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E
Recommendation 11		d		E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E
Recommendation 12		d		L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L
Recommendation 13		b	E																										

Legend: L: Recommendation for decision by legislative organ E: Recommendation for action by the executive head

■ Recommendation does not require action by this organization **Intended impact:** a: enhanced accountability b: dissemination of best practices c: enhanced coordination and cooperation d: enhanced controls and compliance e: enhanced effectiveness f: significant financial savings g: enhanced efficiency o: other

* Covers all entities listed in ST/SGB/2002/11 other than UNCTAD, UNODC, UNEP, UN-Habitat, UNHCR, and UNRWA.